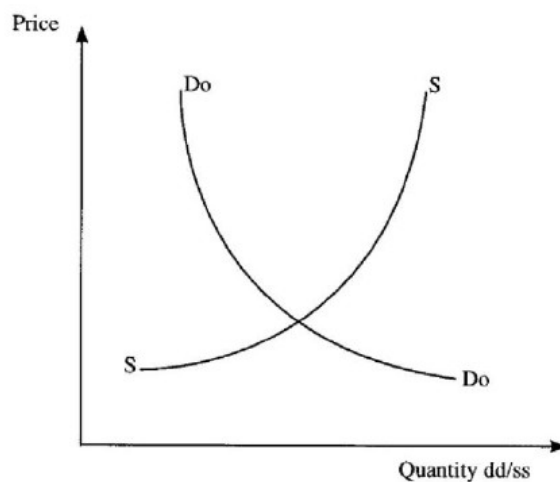


3.29 BUSINESS STUDIES (565)

3.29.1 Business Studies Paper 1 (565/1)

- 1 What are the reasons that would make an individual engage in business? (4 marks)
- 2 List **four** types of utility and the production activity associated with each of them. (4 marks)
- 3 Outline **four** ways in which the office facilitates effective handling of documents. (4 marks)
- 4 Highlight **four** factors that may influence a consumer to purchase products from a kiosk rather than a supermarket. (4 marks)
- 5 State **four** circumstances under which hire purchase may be used to acquire goods. (4 marks)
- 6 Give **four** reasons for the increased use of mobile phones in banking. (4 marks)
- 7 Outline **four** methods that the Government of Kenya uses to regulate business activities. (4 marks)
- 8 State **four** disadvantages of using internet as a means of communication. (4 marks)
- 9 State **four** differences between life assurance and general insurance. (4 marks)
- 10 Give **four** reasons for observing ethical practices in product promotion. (4 marks)
- 11 The graph given below represents the demand and supply curves of milk:



- State **four** effects of a shift of the demand curve to the right. (4 marks)
- 12 Outline **four** disadvantages that a manufacturer would suffer if wholesalers were eliminated from the chain of distribution. (4 marks)

- 13 The following balance sheet was incorrectly prepared:

**PEMBE TATU TRADERS
BALANCE SHEET
FOR THE YEAR ENDED 31.12.12**

	Ksh		Ksh
Stock	5,000	Furniture	50,000
Bank overdraft	5,000	Debtors	7,000
Cash	<u>9,000</u>	Capital	<u>66,000</u>
	<u>19,000</u>		<u>123,000</u>

Prepare a corrected balance sheet. (4 marks)

- 14 The following figures relate to Jumbo Traders for the year ended 31.12.13.

<u>Details</u>	<u>Ksh</u>
Capital (31.12.13)	940,000
Net loss	20,000
Additional investment	420,000
Monthly drawings	5,000

Determine the capital as at 1.01.13. (4 marks)

- 15 Identify the ledgers in which the following accounts are maintained. (5 marks)

	ACCOUNT	LEDGER
(i)	Pendo (Debtor)	
(ii)	Machinery	
(iii)	Rent	
(iv)	Capital	
(v)	Juma (Creditor)	

- 16 List **three** levels of inflation. (3 marks)

17 Name the documents described by the statements given below as used in International Trade: (4 marks)

- (a) Requests for payment before goods are delivered.....
- (b) Shows ownership or title of goods imported.....
- (c) Shows the country of manufacture of goods.....
- (d) Shows the transportation charges for goods.....

18 The following Purchases Returns Journal relates to Farasi Traders:

PURCHASES RETURNS JOURNAL				
DATE	DETAILS	CREDIT NOTE NO.	FOLIO	AMOUNT
2012				
MARCH				KSH
1	Junior	R22	PL1	2,000
3	Mimi Supplies	100	PL 2	4,000
4	Kilimanjaro	30	PL 5	5,000
			GL 4	<u>11,000</u>

Post the information above to the relevant ledger accounts. (4 marks)

19 Outline **four** goals of development to a country. (4 marks)

20 The following information relates to Kahawa Traders as at 31st December 2012.

Stock	1.1.12	Ksh	80,000
Stock	31.12.12	Ksh	120,000
Purchases		Ksh	1,000,000
Margin			20%

Required:

Prepare a trading account. (5 marks)

21 State **four** reasons that make it necessary for firms to maintain a healthy environment. (4 marks)

22 Highlight **four** benefits of a business plan to an entrepreneur. (4 marks)

23 Outline **four** benefits of sea transport over air transport. (4 marks)

24 In which ways can an investor benefit from the stock exchange? (4 marks)

25 State **three** clauses found in the Memorandum of Association. (3 marks)

3.29.2 Business Studies Paper 2 (565/2)

- (a) Explain **five** uses of National Income Statistics to a country. (10 marks)
- (b) Discuss **five** principles that would lead to effective use of government resources. (10 marks)

- 2 (a) Explain **five** ways in which the consumer may benefit from warehousing. (10 marks)
- (b) The following information was extracted from the books of Mamboleo Traders in the month of September, 2014.

September 1	Had cash in hand, Shs15,500 and a bank overdraft of Shs 9,700.
September 3	Bought goods for sale Shs 12,300 on credit.
September 5	Sold good in cash Shs 8,500.
September 9	Sold goods on credit Shs 10,000.
September 12	Received a cheque of Shs 9,000 from a debtor.
September 15	Paid a creditor Shs 10,000 in cash.
September 17	Paid wages Shs 2,600 in cash.
September 19	Received a cheque Shs 23,400 from Samson for goods sold in January.
September 20	Received Shs 6,700 from a debtor in cash.
September 23	Withdrew Shs 7,700 from the bank for office use.
September 24	Paid electricity bills by cheque Shs1,200.
September 25	Received a cheque of Shs11,500 from a debtor.
September 26	Made cash sales of Shs12,800 .
September 27	Purchased goods worth Shs 8,950 in cash.
September 28	Deposited personal cash Shs 3,500 into the business account.
September 30	Paid water bills by cheque Shs 2,800.

Required:

- Prepare a two column cash book. (10 marks)
- 3 (a) Describe **five** characteristics of a monopolistic competitive market. (10 marks)
- (b) Explain **five** features of human wants. (10 marks)

- 4 (a) The following trail balance relates to Chui Traders as at 31st December, 2014.

**Chui Traders
Trial Balance
As at 31st December 2014**

Details	Dr (Ksh)	Cr (Ksh)
Stock	10,000	
Bank	3,500	
Purchases	15,000	
Sales		28,000
Returns	800	<u>1,100</u>
Rent		580
Insurance	950	
Creditor		450
Carriage in	1,200	
Discounts	<u>300</u>	<u>1,620</u>
	<u>31,750</u>	<u>31,750</u>

Additional Information:

- Closing stock was valued at Ksh 2,500.
- Carriage out was Ksh 1,200.

Required

- Prepare Trading, Profit and Loss Account. (10 marks)
- (b) Explain **five** methods of determining the price of a product other than price control. (10 marks)
- 5 (a) Explain **five** trends in office management. (10 marks)
- (b) Explain **five** advantages of government involvement in business. (10 marks)
- 6 (a) Explain **five** benefits which may accrue to Kenya by being a member of the African Development Bank (AFDB). (10 marks)
- (b) Explain **five** features that are common to underdeveloped countries. (10 marks)